Amendments to the Claims

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Currently Amended) A computer-implemented or assisted method for implementing a constant volatility index, the index having an associated risk, said computer-implemented or assisted method comprising the steps of:

(1) establishing a constant target level of risk at which to maintain said index;

(2) monitoring said level of risk associated with said index; and

(3) rebalancing said index by reallocating index components when the risk associated with said index deviates from said constant target level of risk, thereby at least substantially maintaining a specified risk level.

2. (Currently Amended) The computer-implemented or assisted method of claim 1, further comprising implementing a risk band to delimit a constant lower level of risk below said target level of risk and ~~an~~ constant upper level of risk above said target level of risk of said index, and wherein said step of rebalancing comprises rebalancing said index when the risk associated with said index rises above said upper level of risk or drops below said lower level of risk, thereby at least substantially maintaining the risk associated with said index between said lower and upper levels of said risk band.

3. (Original) The computer-implemented or assisted method of claim 1, wherein said level of risk is measured using RiskMetric Group's RiskGrade measure.

4. (Original) The computer-implemented or assisted method of claim 1, wherein said level of risk is measured using at least one of standard deviation, variance, average shortfall, VAR, or any other similar or analogous measures.

5. (Original) The computer-implemented or assisted method of claim 1, wherein said step of rebalancing comprises reallocating assets from relatively high risk components of said index to relatively low risk components of said index, if the risk associated with said index exceeds said level of risk by a predetermined level.

6. (Original) The computer-implemented or assisted method of claim 1, wherein said step of rebalancing comprises reallocating assets from relatively low risk components of said index to relatively high risk components of said index, if the risk associated with said index drops below said level of risk by a predetermined level.

7. (Original) The computer-implemented or assisted method of claim 1, wherein said index components comprise at least one security and cash.

8. (Original) The computer-implemented or assisted method of claim 7, wherein said cash is shifted to said at least one security to increase risk.

9. (Original) The computer-implemented or assisted method of claim 7, wherein said at least one security is shifted to said cash to decrease risk.

10. (Currently Amended) A system for implementing a constant volatility index, the index having an associated risk, said system comprising:

an input device for accepting a constant target level of risk at which to maintain said index;

a device for monitoring said level of risk associated with said index; and

a processor for rebalancing said index by reallocating index components when the risk associated with said index deviates from said constant target level of risk, thereby at least substantially maintaining a specified risk level.

11. (Currently Amended) The system of claim 10, wherein said processor implements a risk band to delimit a constant lower level of risk below said target level of risk and ~~an~~ constant upper

level of risk above said target level of risk of said index, and wherein said processor rebalances said index when the risk associated with said index rises above said upper level of risk or drops below said lower level of risk.

12. (Original) The system of claim 10, wherein said level of risk is measured using at least one of RiskMetric Group's RiskGrade measure, standard deviation, variance, average shortfall, VAR, or any other similar or analogous measures.

13. (Original) The system of claim 10, wherein said processor rebalances said index by reallocating assets from relatively high risk components of said index to relatively low risk components of said index when the risk associated with said index exceeds said level of risk by a predetermined level.

14. (Original) The system of claim 10, wherein said processor rebalances said index by reallocating assets from relatively low risk components of said index to relatively high risk components of said index when the risk associated with said index drops below said level of risk by a predetermined level.

15. (Original) The system of claim 10, wherein said index components comprise at least one security and cash.

16. (Original) The system of claim 15, wherein said cash is shifted to said at least one security to increase risk.

17. (Original) The system of claim 15, wherein said at least one security is shifted to said cash to decrease risk.

18. (Currently Amended) A system for implementing a constant volatility index, the index having an associated risk, said system comprising:

means for establishing a constant target level of risk at which to maintain said index;

means for monitoring said level of risk associated with said index; and

means for rebalancing said index by reallocating index components when the risk associated with said index deviates from said constant target level of risk, thereby at least substantially maintaining a specified risk level.

19. (Currently Amended) The system of claim 18, further comprising means for implementing a risk band to delimit a constant lower level of risk below said target level of risk and ~~an~~ constant upper level of risk above said target level of risk of said index, and wherein said means for rebalancing comprises means for rebalancing said index when the risk associated with said index rises above said upper level of risk or drops below said lower level of risk.

20. (Original) The system of claim 18, wherein said level of risk is measured using at least one of RiskMetric Group's RiskGrade measure, standard deviation, variance, average shortfall, VAR, or any other similar or analogous measures.

21. (Original) The system of claim 18, wherein said means for rebalancing comprises means for reallocating assets from relatively high risk components of said index to relatively low risk components of said index when the risk associated with said index exceeds said level of risk by a predetermined level.

22. (Original) The system of claim 18, wherein said means for rebalancing comprises means for reallocating assets from relatively low risk components of said index to relatively high risk components of said index when the risk associated with said index drops below said level of risk by a predetermined level.

23. (Original) The system of claim 18, wherein said index components comprise at least one security and cash.

24. (Original) The system of claim 23, wherein said cash is shifted to said at least one security to increase risk.

25. (Original) The system of claim 23, wherein said at least one security is shifted to said cash to decrease risk.

26. (Currently Amended) A computer readable medium for implementing a constant volatility index, the index having an associated risk, said computer readable medium comprising:

computer readable instructions for establishing a constant target level of risk at which to maintain said index;

computer readable instructions for monitoring said level of risk associated with said index; and

computer readable instructions for rebalancing said index by reallocating index components when the risk associated with said index deviates from said constant target level of risk, thereby at least substantially maintaining a specified risk level.

27. (Currently Amended) The computer readable medium of claim 26, further comprising computer readable instructions for implementing a risk band to delimit a constant lower level of risk below said target level of risk and ~~a~~ constant upper level of risk above said target level of risk of said index, and wherein said computer readable instructions for rebalancing comprises computer readable instructions for rebalancing said index when the risk associated with said index rises above said upper level of risk or drops below said lower level of risk.

28. (Original) The computer readable medium of claim 26, wherein said level of risk is measured using at least one of RiskMetric Group's RiskGrade measure, standard deviation, variance, average shortfall, VAR, or any other similar or analogous measures.

29. (Original) The computer readable medium of claim 26, wherein said computer readable instructions for rebalancing comprises computer readable instructions for reallocating assets from relatively high risk components of said index to relatively low risk components of said index when the risk associated with said index exceeds said level of risk by a predetermined level.

30. (Original) The computer readable medium of claim 26, wherein said computer readable instructions for rebalancing comprises computer readable instructions for reallocating assets from relatively low risk components of said index to relatively high risk components of said index when the risk associated with said index drops below said level of risk by a predetermined level.

31. (Original) The computer readable medium of claim 26, wherein said index components comprise at least one security and cash.

32. (Original) The computer readable medium of claim 31, wherein said cash is shifted to said at least one security to increase risk.

33. (Original) The computer readable medium of claim 31, wherein said at least one security is shifted to said cash to decrease risk.

34. (Currently Amended) A computer-implemented or assisted method for implementing a constant volatility index, said computer-implemented or assisted method comprising the steps of:

(1) identifying a constant target level of risk at which to maintain said index;

(2) allocating components in said index in a manner such that a risk associated with said index attains said target level of risk;

(3) setting an acceptable range of risk associated with said target risk

(4) monitoring said level of risk associated with said index; and

(5) rebalancing said index by reallocating said components when the risk associated with said index deviates from said acceptable range of risk, thereby at least substantially maintaining a specified risk level.

35. (Original) The computer-implemented or assisted method of claim 34, wherein said level of risk is measured using at least one of RiskMetric Group's RiskGrade measure, standard deviation, variance, average shortfall, VAR, or any other similar or analogous measures.

36. (Original) The computer-implemented or assisted method of claim 34, wherein said step of ebalancing comprises reallocating assets from relatively high risk components of said index to relatively low risk components of said index, if the risk associated with said index exceeds said level of risk by a predetermined level.

37. (Original) The computer-implemented or assisted method of claim 34, wherein said step of rebalancing comprises reallocating assets from relatively low risk components of said index to relatively high risk components of said index, if the risk associated with said index drops below said level of risk by a predetermined level.

38. (Original) The computer-implemented or assisted method of claim 34, wherein said index components comprise at least one security and cash.

39. (Original) The computer-implemented or assisted method of claim 38, wherein said cash is shifted to said at least one security to increase risk.

40. (Original) The computer-implemented or assisted method of claim 38, wherein said at least one security is shifted to said cash to decrease risk.